LGA Executive

20 March 2014

Better Care Fund and Care Bill: Update

Purpose of report

For discussion.

Summary

The Better Care Fund (BCF) is a £3.8 billion single pooled budget to facilitate a transformation in integrated health and social care. Local areas have now submitted their draft BCF plans, which reveal that the total amount being pooled is in the region of £5 billion. Feedback from local areas also highlights a number of process and policy issues that need to be resolved.

The Care Bill is nearing the end of its passage through Parliament. The LGA, working closely with ADASS (Association of Directors of Adult Social Services), has briefed at every stage of the parliamentary process and has worked with a number of Parliamentarians to take forward three new amendments; two relating to funding and one relating to the government proposal for a universal scheme of deferred payments.

The joint Programme Management Office overseeing Care Bill implementation (and comprising the LGA, ADASS and the Department of Health) is now well established and working across the sector to prepare for implementation.

Recommendation

That the Executive notes the current position on the Better Care Fund and endorses the work being undertaken by the LGA on behalf of the sector.

Action

LGA officers to action as necessary.

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Local Government Association

LGA Executive
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Better Care Fund and Care Bill: Update

1. The Better Care Fund (BCF), formerly the Integration Transformation Fund, was announced by the government in the June 2013 Spending Round. It is a £3.8 billion single pooled budget to facilitate a transformation in integrated health and social care. The LGA, working closely with NHS England, was instrumental in making the case for such a fund.

2. Local Health and Wellbeing Board (HWB) areas submitted their draft BCF plans on 14 February to their NHS England Area Teams and local government regional peer leads.

3. NHS Area Teams and local government regional peers are currently leading the local assurance process, in line with guidance issued on 13 February and supplementary guidance on 24 February. Alongside this local assurance process, the national team across NHS England and LGA are conducting an initial high level quantitative analysis of the data in order to identify key issues and themes. Emerging headlines from the quantitative data are set out below. (NB: at the time of writing 151 HWBs, out of 152, have submitted draft plans).

    3.1. A **minimum of 119 plans have been signed off by their HWB.** A further 19 appear to have been signed off but are not dated. 12 have not been signed off by their HWB, and 1 has not provided their plan in a format which contains the HWB signatory box. Area Teams and local government regional peers will be looking into those plans which have not been signed off in further detail as part of the assurance process.

    3.2. **57 HWB areas have pooled more than the minimum required sum** (out of 135 HWBs that have provided a figure at this stage).

    3.3. The **total reported pooled budget across England stands at c.£4.6 billion** (out of 135 HWBs which have provided figures). However, if we assume that the remaining 16 HWBs which have not provided figures contribute at least the minimum, then the total pooled budget will be a minimum of c.£5.2 billion.

    3.4. The **average pooled fund is £34 million** (on the basis of 135 HWBs which have provided figures).

    3.5. The **following 7 HWB areas are pooling budgets over £100 million**: Hertfordshire (£239 million), Lincolnshire (£197 million), Dorset (£194 million), Sheffield (£181 million), Sunderland (£168 million), Bournemouth and Poole (£151 million), and Salford (£103 million). Furthermore, Birmingham have indicated that they are pooling a minimum of £82 million (but potentially up to £600 million), and a number of HWBs are pooling close to £100 million.

4. Early feedback from local areas on the BCF process is set out below:

    4.1. **Consistency across the country and regions** – the process will require moderation. When the returns are in after February 28, we will take a sample to establish consistent judgements and then consult further to agree any adjustments that might be required.

4.2. **Timeframe** – it is evident that, while NHS contracts for 2014/5 will need to be finalised by 4 April, the BCF plans will continue to develop over a longer timeframe as localities prepare for 2015/6 and issues that are not resolvable by 4 April are addressed, with the requisite support where appropriate. We will continue to work on BCF development and support through to September 2015.

4.3. **Care Bill costs** - the late appreciation that the BCF includes provision for Care Bill costs in 2015/16 means that some localities are seeking further clarification on how this will work. We are building this into supplementary information and will continue to address Care Bill costs as part of the wider Care Reform programme.

4.4. **Disabled Facilities Grant** – two tier areas in particular need to be assured that the provisions set out in the Guidance in December 2013 have been met, and we will issue supplementary guidance to NHS Local Area Teams and local government peers to ensure that this is looked at.

4.5. **Implications for acute hospitals** – there is widespread concern that hospital trusts have been insufficiently engaged in agreeing the implications of the plans, and may indeed have responded to perceived signals from elsewhere in the system with their own plans that assume unsupportable levels of activity and income. Local Area Teams will be charged with ensuring consistency of commissioning and provider plans, and we will engage Monitor and the Trust Development Agency directly to ensure a consistent message on this point.

4.6. **Implications for Primary Care** – CCGs are not the commissioners for primary care and there is a concern that NHS Local Area teams may find it difficult to reconcile commissioning responsibilities for primary care with assuring BCF plans. NHS colleagues will work with area teams to mitigate this risk, and in future co-commissioning arrangements will further address the issue.

4.7. **Importance of Health and Wellbeing Board leadership** - it is really important reputationally that HWBs are robustly engaged in the BCF process, and are supported to push back where plans do not deliver the transformation that is required locally.

5. Next steps on the BCF work will include a more detailed analysis of local plans, further intelligence gathering on the areas that require further support, and developing existing and new support tools.

Care Bill

Parliamentary lobbying

6. At the time of writing the Care Bill is due for the Report Stage on 10 March in the House of Commons. This is the penultimate stage of the Bill's passage through Parliament before it returns to the House of Lords for consideration of the amendments agreed in the House of Commons.

7. The LGA has provided briefings throughout the parliamentary process and has worked and met with Parliamentarians to pursue three key amendments. Two of these have dealt with

funding: first a 'probing amendment' to secure a debate on the importance of the reforms and the system itself being adequately funded; and second, an attempt to build assurance on funding into the process by requiring the Care and Support Programme Board (of which the LGA is a member) to report on whether it is confident in the funding available for the reforms. On the latter, we are working closely with the Care and Support Alliance – a consortium of more than 70 third and provider sector colleagues representing and supporting older and disabled people – to build parliamentary support for the amendment.

8. These amendments have helped ensure that the issue of funding has been at the centre of the Care Bill debates. Furthermore, as a result of the amendment debates the Care Services Minister, Norman Lamb MP, has stated on the record that there is adequate funding. The LGA has also been referenced several times by Parliamentarians.

9. Our third amendment, which was tabled by Grahame Morris MP and supported by CIPFA (the Chartered Institute of Public Finance and Accountancy), Age UK and the National Association of Financial Assessment Officers, sought to establish a national body to administer and oversee the proposed universal deferred payment agreements (DPA) scheme. Through deferred payment an individual's residential care costs are paid by the council via a loan secured against the individual's home, with the costs recouped upon the sale of that home. The LGA argued strongly that councils should not be exposed to the scale of financial risk inherent in a universal DPA scheme and that economies of scale and a simpler customer experience could be achieved through a national scheme. The government has rejected this idea but the Minister has agreed to meet with the LGA to discuss the matter further. This will be an important opportunity to put the case to him, set out the LGA's concerns, and be clear on exactly what is required from local government's perspective to make the scheme a success if, as proposed, councils are to administer the scheme.

10. The LGA will continue to lobby on the Bill in its final stages through Parliament. Once the Bill receives Royal Assent lobbying and influencing activity will switch to the major consultation on the draft regulations and guidance – see below.

Preparing for implementation

11. In November last year the LGA, ADASS and the Department of Health came together to establish a joint Programme Management Office (PMO) to oversee implementation of the Care Bill. Work is being taken forward in a true spirit of coproduction.

12. Progress on preparation for the implementation of the Care Bill is currently at a critical stage. The first drafts of the secondary legislation are in the final stages of drafting and are due to go out to public consultation in early May. Through the joint PMO, ADASS have recruited a range of expert associates to support its Directors of Adult Social Care who are working alongside Department of Health policy officers to shape the regulations and guidance. This additional capacity will also help to ensure that the joint PMO care and reform website carries regular updates on the key issues and decisions emerging in the various policy work streams, and clarifies when key decisions will be made.

13. At the same time the joint PMO is working closely with ADASS leads and associates, as well as with the regions, to identify the areas where councils most need help and support as they prepare to implement the Care Bill. Current live issues include:

13.1. Developing a shared understanding between central and local government over the total costs of implementing the new legislation.

13.2. Developing a blue print for local government which sets out key milestones and guides councils through steps they need to take to prepare for the Care Bill.

13.3. Reviewing the capacity and skills of the current workforce in social care to ensure they have the right skills and knowledge.

14. A package of support will be developed over the next six weeks and will be available following the publication of the draft secondary legislation in May.